



**George H. Ryan, Governor**  
**Ann Patla, Director**

## **Illinois Department of Public Aid**

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2-18-00

### **INFORMATIONAL NOTICE**

**TO: ALL PARTICIPATING HOSPITALS**

**RE: OUT-OF-NETWORK EMERGENCY SERVICES**

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The purpose of this Notice is to provide hospitals with information concerning payment from Managed Care Organizations (MCOs) for out-of-network emergency services at the Department's rate.

Article V(b)(8)(E) of the Contract for Furnishing Health Services requires that payment for emergency services provided by non-participating providers shall be at the Department's rate. The Department pays for emergency services based on a tiered rate system depending on whether the services provided were emergency, urgent care, or screening services. The Department's payment of emergency services is addressed in two Action Notices -- Outpatient Reform dated July 1, 1998 and Changes to Outpatient Rates and Department Policy dated July 12, 1999.

The definition of emergency services as found in the Balanced Budget Act of 1997 includes inpatient hospital services needed until a patient is stabilized. This complicates the payment of emergency services at the Department's rate. Although most hospitals are reimbursed on a Diagnosis Related Grouping (DRG) basis, some hospitals are reimbursed on a per diem basis. DRG payments are computed using the Medicare PPS rate in effect on March 30, 1995 and the Department's relative weighting factors. Claims for DRG payments must be grouped using the HCFA (Medicare) 12.0 grouper and the current code mapper. If the DRG rate is paid, the hospital will be eligible for applicable outlier payments. The Department's rate also includes applicable add-ons -- capital, Medicaid High Volume Adjustment (MHVA), and Disproportionate Share Hospital Adjustment (DSH). Capital is paid on a per admission basis; MHVA and DSH are paid on a per diem basis. Per diem rates include capital, therefore, per diem payments would not be eligible for a capital add-on. Capital would be an add-on for DRG payments. MHVA and DSH add-ons would apply to both per diem and DRG payments if the hospital is eligible for such payments.

The Department is prepared to assist MCOs in the calculation of the inpatient payment rate and has appropriately notified the MCOs.

Hospitals interested in confirming the Department's rates should call the Bureau of Comprehensive Health Services at (217) 782-5565. Questions regarding this notice may also be directed to the Bureau of Comprehensive Health Services or to the Bureau of Managed Care at (217) 524-7121.

Matt Powers, Administrator  
Division of Medical Programs